Price to Beat Tariff

TXU SESCO Energy Services Company A Retail Electric Provider

> 1601 Bryan Street Dallas, Texas 75201-3411

CONTENTS

1.0	Cities	and Counties Served
		Schedules ential Service
2.2	2.2.1 2.2.2 2.2.3 2.2.4 2.2.5 2.2.6 2.2.7 2.2.8 2.2.9 2.2.10	ral Service General Service - State Institution of Higher Education (GSSE)
2.3	Munici 2.3.1 2.3.2 2.3.3	
2.4	Other 2.4.1 2.4.2 2.4.3	Power Cost Recovery Factor 20 Franchise Fees by City 21 Non-Firm Energy Purchases from Qualifying Facilities 22

Revision: One Effective Date: February 6, 2003

1.0 CITIES AND COUNTIES SERVED

ALL COUNTIES AND TOWNS SERVED ARE IN THE STATE OF TEXAS.

Counties in which customers are served by TXU SESCO ENERGY SERVICES COMPANY:

Anderson Cherokee Falls Freestone Henderson Limestone McLennan Milam Rusk Smith

Towns in which customers are served by TXU SESCO ENERGY SERVICES COMPANY:

Mexia Alto Arp **New Summerfield** Bullard Overton Coolidge Riesel Rosebud Fairfield Rusk Frankston Gallatin Teague Tehuacana Groesbeck Jacksonville Thornton Lott Troup Whitehouse Marlin Mart Wortham

All rates are applicable in all towns and counties served by TXU SESCO ENERGY SERVICES COMPANY.



2.1.1 RESIDENTIAL SERVICE

APPLICATION:

Applicable to all customers throughout the entire service area for all electric service supplied for all normal domestic uses in private dwellings and separately metered individual family apartments when all service is supplied at one point of delivery through one meter.

Not applicable to resale or breakdown service in any event, nor to temporary, standby, or supplementary service.

TYPE OF SERVICE:

Oncor Electric Delivery Company ("Oncor") will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

Billing Cycle

May - October (Summer)

Billing Cycle

November - April (Winter)

\$7.05 Plus

All kWh @ 6.11¢ per kWh

\$7.05 Plus

First 800 kWh @ 6.11¢ per kWh Over 800 kWh @ 4.62¢ per kWh

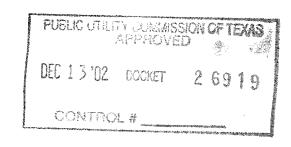
Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$7.05

NOTICE:



2.1.2 RESIDENTIAL SERVICE - STATE INSTITUTION OF HIGHER EDUCATION (RSE)

APPLICATION:

Applicable to a facility of any four-year State university, upper-level institution, Texas State Technical College, or college, as provided for in PURA Section 36.351, throughout the entire service area for all electric service supplied for all normal domestic uses in private dwellings and separately metered individual family apartments when all service is supplied at one point of delivery through one meter.

Not applicable to resale or breakdown service in any event, nor to temporary, standby, or supplementary service.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

Billing Cycle

May - October (Summer)

Billing Cycle

November - April (Winter)

\$6.00 Plus

All kWh @ 5.20¢ per kWh

\$6.00 Plus

First 800 kWh @ 5.20¢ per kWh Over 800 kWh @ 3.94¢ per kWh

Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which Imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$6.00

NOTICE:

PUBLIC UTILITY				
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2.2.1 GENERAL SERVICE

APPLICATION:

Applicable to all customers throughout the entire service area for lighting and power requirements where service is taken through one meter at a single point of delivery.

Not applicable to resale or breakdown service in any event, nor to temporary, standby, or supplementary service.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

\$14.10

Plus first 325 kWh @ 7.83¢ per kWh**

Over 325 kWh @ 4.71¢

Plus \$1.09 per kW in excess of 4 kW

**For each kW of demand in excess of 4, move 100 kWh from the 4.71¢ block to the 7.83¢ block, not to exceed the total kWh used.

Plus charges per Kw and/or kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for non-primary service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$14.10 plus \$1.09 for each kW in excess of 4 kW.

DETERMINATION OF DEMAND:

The demand shall be the kW supplied during the 15-minute period of maximum use during the current month, as determined by Oncor's demand meter, but not less than 80% of the maximum kW similarly determined during June, July, August, September or October in the 12 months ending with the current month.

NOTICE:



2.2.2 GENERAL SERVICE - STATE INSTITUTION OF HIGHER EDUCATION (GSSE)

APPLICATION:

Applicable to a facility of any four-year State university, upper-level institution, Texas State Technical College, or college, as provided for in PURA Section 36.351, throughout the entire service area for lighting and power requirements where service is taken through one meter at a single point of delivery.

Not applicable to resale or breakdown service in any event, nor to temporary, standby, or supplementary service.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

\$12.00

Plus first 325 kWh @ 6.66¢ per kWh**

Over 325 kWh @ 4.01¢

Plus \$0.93 per kW in excess of 4 kW

**For each kW of demand in excess of 4, move 100 kWh from the 4.00¢ block to the 6.66¢ block, not to exceed the total kWh used.

Plus charges per kW and/or kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for non-primary service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

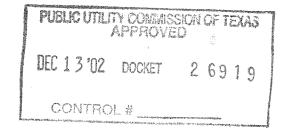
MINIMUM:

\$12.00 plus \$0.93 for each kW in excess of 4 kW.

DETERMINATION OF DEMAND:

The demand shall be the kW supplied during the 15-minute period of maximum use during the current month, as determined by Oncor's demand meter, but not less than 80% of the maximum kW similarly determined during June, July, August, September or October in the 12 months ending with the current month.

NOTICE:



MEDIUM GENERAL SERVICE 2.2.3

APPLICATION:

Applicable throughout the entire service area for customers whose load exceeds 75kW for total lighting and power requirements where service is taken through one meter at a single point of delivery.

Not applicable to resale or breakdown service in any event, nor to temporary, standby, or supplementary service.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

First 75 kW or less for \$493,50

Over 75 kW @ \$6.56 per kW

All kWh @ 3.31¢ per kWh

Plus charges per kW and kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for primary service or non-primary service or customers transferred from non-primary to primary, as applicable.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$493.50

DETERMINATION OF DEMAND:

Demand for calculation of the monthly bill is determined in accordance with the following provisions:

The highest 15-minute kW recorded during the current billing month. B.

- But is not less than the highest of:
 - 80% of the on-peak kW;
- 2. 50% of the contract kW;

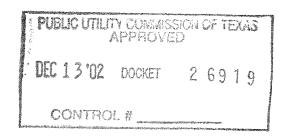
DEFINITION:

On-peak kW is highest 15 minute kW recorded during billing months of June, July, August, September or October. For a new customer contracting for new service, on-peak history is developed through use. Contract kW is the maximum amount specified in the Agreement for Electric Service.

PRIMARY SERVICE CREDIT:

A credit of 59¢ per kW of billed demand and 0.071¢ per kWh for each billed kWh is made when service is provided to customer at 12.5 KV and above, provided customer owns or leases all facilities on the customer's side of the primary meter.

NOTICE:



2.2.4 MEDIUM GENERAL SERVICE - STATE INSTITUTIONS FOR HIGHER EDUCATION (MGSSE)

APPLICATION:

Applicable throughout the entire service area for a facility of any four-year State university, upper-level institution, Texas State Technical College, or college, as provided for in PURA Section 36.351, whose load exceeds 75kW for total lighting and power requirements where service is taken through one meter at a single point of delivery.

Not applicable to resale or breakdown service in any event, nor to temporary, standby, or supplementary service.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

First 75 kW or less for \$420.00

Over 75 kW @ \$5.58 per kW

All kWh @ 2.82¢ per kWh

Plus charges per kW and kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for primary service or non-primary service or customers transferred from non-primary to primary, as applicable.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$420.00

DETERMINATION OF DEMAND:

Demand for calculation of the monthly bill is determined in accordance with the following provisions:

A. The highest 15-minute kW recorded during the current billing month.

B. But is not less than 80% of the on-peak kW.

DEFINITION:

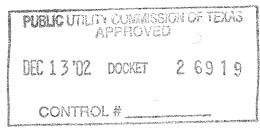
On-peak kW is highest 15 minute kW recorded during billing months of June, July, August, September or October. For a new customer contracting for new service, on-peak history is developed through use.

PRIMARY SERVICE CREDIT:

A credit of 50¢ per kW of billed demand and 0.06¢ per kWh for each billed kWh is made when service is provided to customer at 12.5 KV and above, provided customer owns or leases all facilities on the customer's side of the primary meter.

NOTICE:

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the Company's Price to Beat Tariff.



-9-

2.2.5 CHURCHES

APPLICATION:

Applicable for all lighting and power requirements of all churches throughout the entire service area, excluding parsonages and residences.

Not applicable to resale or breakdown service in any event, nor to temporary, standby, or supplementary service.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

\$14.10 Plus All kWh @ 7.11¢ per kWh

Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factory schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$14.10 per meter.

NOTICE:



2.2.6 COTTON GINS

APPLICATION:

In Rosebud and not available to new customers.

Not applicable to resale, breakdown, temporary, or standby service.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

\$18.80 PLUS 11.99¢ for all kWh

Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

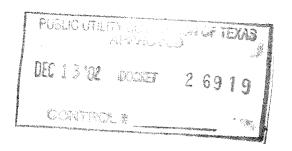
MINIMUM MONTHLY BILL:

\$18.80 per month

MINIMUM ANNUAL BILLING:

\$18.80 per connected H.P.

NOTICE:



2.2.7 NON-MUNICIPAL WATER AND SEWAGE PUMPING SERVICE

APPLICATION:

Non-municipal water and sewage pumping service for predominately domestic consumers throughout the entire service area.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

\$16.92 per meter plus All kWh @ 5.76¢ per kWh

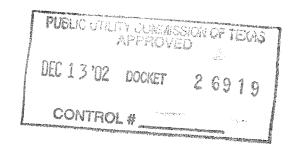
Plus a charge per kWh for increased cost of power as calculated in the Power Cost Recovery Factor Schedule (PCRF) for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$16.92 per meter

NOTICE:



2.2.8 OUTDOOR LIGHTING SERVICE (CLOSED)

APPLICATION:

Applicable to unmetered outdoor lighting service supplied exclusively to one or more lamps where facilities for adequate capacity and suitable voltages are adjacent to the premises to be served throughout the entire service area.

Not applicable to temporary service.

MONTHLY RATE:

Lamp Size and Type	Monthly kWh of Energy per Lamp	Net Monthly Rate per Lamp	
175 Watt Mercury Vapor	66	\$ 7.29	
400 Watt Mercury Vapor	152	12.41	
100 Watt HPS	40	6.82	
200 Watt HPS	80	10.95	

Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MAINTENANCE OF FACILITIES

Company will arrange for maintenance of all facilities incidental to providing this service, including replacement of burned-out lamps.

Company reserves the right to refuse or discontinue service at locations where excessive maintenance and/or lamp replacements are, in Company's sole judgment, likely to or actually do occur.

REMOVAL OF EXISTING FACILITIES

Company will arrange for the replacement of existing Oncor-owned luminaires with any of the outdoor lighting options above or remove the existing luminaire upon request of and payment by Retail Customer of \$73.00 for each luminaire to cover the labor cost of removal and Oncor's average unamortized investment in the existing luminaire. This charge is applicable to all replacements whether or not an outdoor lighting service is active or inactive or a customer charge has taken or is taking place.

NOTICE:



2.2.9 OUTDOOR LIGHTING SERVICE - STATE INSTITUTIONS OF HIGHER EDUCATION (OLSE) (CLOSED)

APPLICATION:

Applicable to unmetered outdoor lighting service supplied exclusively to one or more lamps where facilities for adequate capacity and suitable voltages are adjacent to a premise of any four-year State university, upper-level institution, Texas State Technical College, or college, as provided for in PURA Section 36.351.

Not applicable to temporary service.

MONTHLY RATE:

Lamp Size and Type	Monthly kWh of Energy per Lamp	Net Monthly Rate per Lamp	
175 Watt Mercury Vapor	66	\$ 6.22	
400 Watt Mercury Vapor	152	10.56	
100 Watt HPS	40	5.80	
200 Watt HPS	80	9.32	

Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MAINTENANCE OF FACILITIES

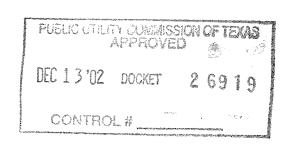
Company will arrange for maintenance of all facilities incidental to providing this service, including replacement of burned-out lamps.

Company reserves the right to refuse or discontinue service at locations where excessive maintenance and/or lamp replacements are, in Company's sole judgment, likely to or actually do occur.

REMOVAL OF EXISTING FACILITIES

Company will arrange for the replacement of existing Oncor-owned luminaires with any of the outdoor lighting options above or remove the existing luminaire upon request of and payment by Retail Customer of \$73.00 for each luminaire to cover the labor cost of removal and Oncor's average unamortized investment in the existing luminaire. This charge is applicable to all replacements whether or not an outdoor lighting service is active or inactive or a customer charge has taken or is taking place.

NOTICE:



2.2.10 LEASE LIGHTING SERVICE (CLOSED)

APPLICATION:

Applicable throughout the entire service area for customers requesting outdoor area lighting for parking lots, decorative lighting and grounds around buildings. This rate is not available to residential or other applications where the outdoor lighting service rate schedule may be applicable.

TYPE OF SERVICE:

The Company will arrange for Oncor to furnish, install, own, operate, and maintain a complete area lighting system of design and installation approved by the Company and the customer. The lights will be controlled to burn from dusk to dawn.

MONTHLY RATE:

A charge of two (2) percent of Oncor's investment in the lighting system or \$14.10, whichever is larger, and:

An energy charge of 5.44¢ per kWh used by the system, and

Energy (kWh) used by the system will be determined by the following formula:

$$Kwh per month = \frac{Wattage of fixtures \times 4000}{1000 \times 12}$$

Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MAINTENANCE OF FACILITIES

Company will arrange for maintenance of all facilities incidental to providing this service, including replacement of burned-out lamps.

Company reserves the right to refuse or discontinue service at locations where excessive maintenance and/or lamp replacements are, in Company's sole judgment, likely to or actually do occur.

REMOVAL OF EXISTING FACILITIES

Company will arrange for the replacement of existing Oncor-owned luminaires with any of the outdoor lighting options above or remove the existing luminaire upon request of and payment by Retail Customer of \$73.00 for each luminaire to cover the labor cost of removal and Oncor's average unamortized investment in the existing luminaire. This charge is applicable to all replacements whether or not an outdoor lighting service is active or inactive or a customer charge has taken or is taking place.

NOTICE:



2.2.11 LEASE LIGHTING SERVICE - STATE INSTITUTIONS OF HIGHER EDUCATION (LLSE) (CLOSED)

APPLICATION:

Applicable throughout the entire service area for customers requesting outdoor area lighting for parking lots, decorative lighting and grounds around buildings of any four-year State university, upper-level institution, Texas State Technical College, or college, as provided for in PURA Section 36,351. This rate is not available to residential or other applications where the outdoor lighting service rate schedule may be applicable.

TYPE OF SERVICE:

The Company will arrange for Oncor to furnish, install, own, operate, and maintain a complete area lighting system of design and installation approved by the Company and the customer. The lights will be controlled to burn from dusk to dawn.

MONTHLY RATE:

A charge of two (2) percent of Oncor's investment in the lighting system or \$12.00, whichever is larger, and:

An energy charge of 4.63¢ per kWh used by the system, and

Energy (kWh) used by the system will be determined by the following formula:

$$Kwh per month = \frac{Wattage of fixtures x 4000}{1000 x 12}$$

Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MAINTENANCE OF FACILITIES

Company will arrange for maintenance of all facilities incidental to providing this service, including replacement of burned-out lamps.

Company reserves the right to refuse or discontinue service at locations where excessive maintenance and/or lamp replacements are, in Company's sole judgment, likely to or actually do occur.

REMOVAL OF EXISTING FACILITIES

Company will arrange for the replacement of existing Oncor-owned luminaires with any of the outdoor lighting options above or remove the existing luminaire upon request of and payment by Retail Customer of \$73.00 for each luminaire to cover the labor cost of removal and Oncor's average unamortized investment in the existing luminaire. This charge is applicable to all replacements whether or not an outdoor lighting service is active or inactive or a customer charge has taken or is taking place.

NOTICE:



2.3.1 MUNICIPAL SERVICE

APPLICATION:

For municipalities throughout the entire service area for water and sewage pumping and all normal municipal power and lighting service.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

\$13.16 per meter plus All kWh @ 5.28¢ per kWh

Plus a charge per kWh for increased cost of power as calculated in the Power Cost Recovery Factor schedule, (PCRF) for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$13.16 per meter

NOTICE:



2.3.2 PUBLIC SCHOOLS

APPLICATION:

Applicable to public schools throughout the entire service area for lighting and power requirements for all purposes where service is taken through one meter, including athletic field lighting.

TYPE OF SERVICE:

Oncor will supply single phase service (or three phase service where available) at 60 hertz and any standard voltages available from its distribution system and through one standard transformation. Where service of the type desired by the customer is not already available at the point of service, special contract arrangements between Oncor and the customer may be required prior to its being furnished.

MONTHLY RATE:

\$18.80 per meter Plus All kWh @ 5.33¢ per kWh

Plus a charge per kWh for increased cost of power as calculated in the Power Cost Recovery Factor Schedule (PCRF) for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

MINIMUM:

\$18.80 per meter

NOTICE:

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the Company's Price to Beat Tariff.

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CONTROL #

2.3.3 MUNICIPAL STREET LIGHTING

APPLICATION:

To cities and towns throughout the entire service area for incandescent, mercury vapor and high pressure sodium street lighting installations approved and authorized by cities.

MONTHLY RATE:

	Lumen Output	Monthly kWh	Net Monthly
Lamp Descriptions	of Light	of Energy per Lamp	Rate per Lamp
Incandescent			_
189 Watt	2,500 Lumens	63	\$ 4.84
295 Watt	4,000 Lumens	98	6.63
Mercury Vapor*			
175 Watt	7,750 Lumens	66	5.59
250 Watt	11,500 Lumens	97	7.52
400 Watt	21,500 Lumens	152	10.92
High Pressure Sodium			
100 Watt	9,500 Lumens	40	6.96
200 Watt	22,000 Lumens	80	8.70
400 Watt	50,000 Lumens	164	13.11

Plus a charge per kWh for increased cost of power as calculated in the power cost recovery factor schedule, PCRF for retail service.

Plus for service within the incorporated limits of a municipality which imposes a municipal franchise fee, pursuant to franchise fee Section 2.4.2 by city, such municipal franchise fee will be added to each customer's bill.

NOTICE:

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the Company's Price to Beat Tariff.

Rate is applicable for lights to be installed on wood poles and overhead distribution system: If city requires other facilities such as metal poles or underground service, the additional cost shall be reimbursed to Oncor.

Lamp kWh has been determined by the following formula, which includes ballast losses where applicable:

$$Kwh per Month = \frac{Wattage \times 4000}{1000 \times 12}$$

Any light fixture in place that a city requests to be replaced by a new fixture will require a contribution to be made to Oncor for the fixture to be removed. This contribution will be determined by the following formula:

Service Life = (Number of years fixture in service) X 3 1/3

Incandescent lights and mercury vapor are not available for new installation; rates shown are for lights already in place only.



2.4.1 POWER COST RECOVERY FACTOR

APPLICATION:

Electric service bilied under all applicable rate schedules throughout the entire service area shall be subject to a purchased power recovery factor (PCRF) for projected increases or decreases in the total cost of purchased power.

ENERGY

Energy purchased power cost recovery factor in \$/kWh:

Retail	Residential, RSE, Churches, Cotton Gins, Non-Municipal Water & Sewage Pumping Service, Outdoor Lighting, OLSE, Lease Lighting, LLSE, Municipal Service, Public Schools, Municipal Street Lighting	0.010558
Non-Primary	General Service, GSSE, Medium General Service, MGSSE	0.005659
Primary	Medium General Service, MGSSE	0.007754



Revision: One

Effective Date: January 1, 2004

-20-

17

2.4.2 FRANCHISE FEES BY CITY

APPLICATION:

Electric service billed under all applicable rate schedules within the incorporated limits of the following municipalities shall be subject to municipal franchise fees as follows.

The franchise fee amount is equal to the applicable franchise fee percentage multiplied by the total amount due for electric service.

CITY NAME	FRANCHISE FEE PERCENTAGE
Alto	3.0
Arp	3.0
Bullard	3.0
Coolidge	4.0
Fairfield	4.0
Frankston	4.0
Gallatin	3.0
Groesbeck	3.0
Jacksonville	3.0
Lott	3.0
Marlin	4.0
Mart	3.0
Mexia	3.0
New Summerfield	3.0
Overton	3.0
Riesel	3.0
Rosebud	3.0
Rusk	4.0
Teague	4.0
Tehuacana	4.0
Thornton	4.0
Troup	3.0
Whitehouse	4.0
Wortham	4.0



2.4.3 Rate QF - Non-Firm Energy Purchases from Qualifying Facilities

Application

Applicable to purchases by TXU SESCO Energy Services Company ("Company") of non-firm energy generated by qualifying facilities ("QF") in accordance with Substantive Rule 25.242 of the Public Utility Commission of Texas ("PUCT").

Interconnection

The QF shall submit all required specification to the interconnected Transmission & Distribution Utility ("TDU"), as designated in the TDU's tariffs and service agreements.

Method of Purchase Calculation

Rates for purchases of non-firm energy are based on the avoided cost of energy for the Company. For this rate schedule, avoided cost shall be calculated as the market-clearing price of energy ("MCPE") at the time of purchase of the production of the QF.

The Company and the owner or operator of the QF ("Producer") may also mutually agree to rates for purchases of non-firm energy that differ from the MCPE. Any such agreements must be made on a nondiscriminatory basis. Such agreements may include provisions to prevent the potential for arbitrage by the Producer.

Administrative, billing, and metering costs are recovered through a monthly customer charge to the Producer.

Definitions

Market price of energy is the MCPE in the balancing energy market for the Electric Reliability Council of Texas ("ERCOT") congestion zone in which the power is produced, minus any administrative costs, including an appropriate share of ERCOT-assessed penalties and fees typically applied to power generators.

Special Conditions

Non-firm energy purchases may be interrupted in case of a system or area emergency or when a hazardous condition exists if, in the Company's or local TDU's sole judgment, the continuation of such purchases would contribute to the emergency or hazardous condition. Upon notice to the Producer in time for the QF to cease delivery of energy, non-firm energy purchases may be interrupted due to operational circumstances, including instances when the amount of energy put by the QF exceeds the Company's load.

The Producer is responsible for arranging for the interconnection and metering of the QF in accordance with the interconnecting TDU's PUCT-approved Tariff for Retail Delivery Service, Tariff for Transmission Service and applicable PUCT Substantive Rules. The Producer shall bear any interconnection costs as required by such tariffs and Substantive Rules.

The Company shall use dynamic resource scheduling or responsibility transfer in ERCOT upon request by the Producer, as permitted by ERCOT. The Company's cost of using dynamic resource scheduling or responsibility transfer attributable solely to purchases from QFs must be charged to the Producers that use such scheduling. The Producer shall bear the costs for any imbalances resulting from the Producer's failure to submit a schedule or to comply with the schedule.

Agreement Required

A written agreement for the purchase of non-firm energy is required.

Revision: Original

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